Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of	)	
	)	
National Exchange Carrier Association, Inc.	)	
Petition to Amend Section 69.104 of the	)	RM No. 10603
Commission's Rules	)	

COMMENTS OF GVNW CONSULTING, INC.

Introduction and Background

GVNW Consulting, Inc. (GVNW) is a management-consulting firm that specializes in assisting rural carriers in meeting the challenges of providing universal service in rural study areas that exhibit different cost and operating characteristics than non-rural study areas.

The purpose of these filed comments is to respond to the Commission's Public Notice seeking input on the National Exchange Carrier Association's (NECA) Joint Petition for Expedited Interim Waiver that is the subject of this RM No. 10603 proceeding. In this instant petition, NECA, et al is seeking a limited interim amendment to the rules (69.104) so as to permit a different application of end-user common line (EUCL) charges (also referred to as subscriber line charges or "SLCs") only where the customer, as opposed to the local exchange carrier, is providing the channel-terminating equipment.

GVNW respectfully submits these comments supporting the relief sought by the NECA and other parties for the reasons stated below.

Services using T-1 interfaces function in a similar manner to PRI ISDN services

NECA discusses in its Petition that certain service offerings (digital transport services) that use T-1 exchange access services are nearly identical to the current PRI ISDN service. This is due to the fact that both of these services use customer provided customer premises equipment (CPE) to derive the functional equivalent of 24 business lines over one digitally formatted access line. Additionally, the NECA has stated in its Petition that the underlying loop provisioning is the same, which means that the ratio of non-traffic sensitive (NTS) loop costs to total loop costs would be equal for both T-1 and PRI ISDN type services.

What are the differences in these two service offerings?

It would seem logical that if these two services generate equivalent NTS loop costs, then the affected LECs should be permitted similar recovery for these costs. Under current FCC rules, this is not the case. What is the difference that creates such an anomaly? There is not a difference, except for a matter of previous interpretation by the Commission.

For PRI ISDN type services, the Commission modified its rules during earlier access reform proceedings so as to allow LECs to assess no more than five SLCs for PRI ISDN services, instead of requiring a SLC to be charged for each of the up to 24 voice-grade channels that are possible over a single ISDN line. In the 1997 First Report and Order in its *Access Charge Reform* dockets[1], the Commission ruled that treating ISDN in

[1] 12 FCC Rcd 15982, 16032, para. 115

a manner similar to analog services (1 SLC per channel) "*artificially discouraged efficient use of ISDN*" services.

By granting this Petition, the Commission will regulate in the same manner functionally equivalent services

By granting this NECA petition, the Commission will permit a similar treatment of functionally equivalent services. As NECA points out in its Petition, under current rules a customer that chooses T-1 exchange access service is required to pay approximately three times as much in SLC charges as the functionally equivalent service that happens to be provided over a PRI ISDN interface. With the Commission's oft-stated desire to create technologically neutral choices for end-user customers, it seems the time is ripe for the Commission to correct this anomaly in its access charge rules regarding the application of SLCs.

By granting the NECA petition, the Commission will level the playing field for T-1 services and avoid the situation it was concerned about in its 1997 decision related to PRI ISDN service – "**artificially discouraging the efficient use of a service**" (in this case T-1 exchange access). The end result of the Commission granting the NECA petition is that customers who choose T-1 exchange access services are not forced to pay SLCs in excess of the loop costs assessed for the functionally equivalent ISDN service. This should help to clarify the application of EUCL charges for LECs who use channelized T-1 services for their customers.

Conclusion

As stated in these comments, we submit that the Commission should amend Part 69.104 of its rules so as to require the assessment of not more than five SLCs on customer-ordered access service that is provisioned using digital T-1 interfaces, in circumstances where the customer provides the channel terminating equipment.

Respectfully submitted,

Electronically filed via ECFS

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